

Wisconsin State Legislature

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Joint Committee on Finance *100TH ANNIVERSARY 1911-2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: October 14, 2011

Re: Department of Administration Estimate of Lottery and Gaming
Credit

Pursuant to s. 79.10(11), Stats., the Department of Administration has provided to the Committee an estimate of the total funds available for distribution under the lottery and gaming credit in 2011.

The Committee is authorized to revise the DOA estimate and may do so at a meeting to take place before November 1st, 2011. If the Committee chooses to accept the DOA estimate, no Committee action is required.

Please review the material and notify **Senator Darling** or **Representative Vos** if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:RV:jm



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

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October 15, 2011

The Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
317 East, State Capitol
Madison, WI 53702

The Honorable Robin Vos, Assembly Co-Chair
Joint Committee on Finance
309 East, State Capitol
Madison, WI 53702

Dear Senator Darling and Representative Vos:

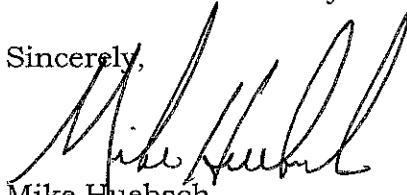
Under s. 79.10(11), Wisconsin Statutes, the Department of Administration must submit to the Joint Committee on Finance its estimate of the total funds available for distribution under the lottery and gaming credit.

Total funds available equal net lottery proceeds and interest plus net racing and bingo proceeds less the amounts expended for gaming enforcement, lottery credit administration and the school levy tax credit. A 2 percent reserve of estimated gross revenues is also required under s. 20.003(5), Wisconsin Statutes.

The department estimates \$137,643,818 will be available for distribution in December 2011. A more detailed calculation of this estimate is attached for your review.

Following the Committee's approval or revision of the estimate, the department will inform the Department of Revenue of the total amount available for the lottery and gaming credit. The Department of Revenue will then calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,



Mike Huebsch
Secretary

Enc.

cc: Members, Joint Committee on Finance
Richard Chandler, Secretary of Revenue

Lottery Fund Condition Statement
B-3 REVENUE AND BALANCE FORM

Lottery Credit Certification 2011
Last Update: October 11, 2011

	Actual 2010-11	Projected 2011-12	Projected 2012-13
Fiscal Year Opening Balance	\$ 24,817,762	\$ 23,918,964	\$ 10,171,000
OPERATING REVENUES			
Ticket Sales			
Instant Scratch Games	\$ 299,054,869	\$ 299,032,386	\$ 299,032,386
Pull-Tab Games	\$ 3,468,953	\$ 3,466,569	\$ 3,466,569
Lotto Games	\$ 200,130,712	\$ 205,853,856	\$ 205,853,856
Total Ticket Sales	\$ 502,654,533	\$ 508,352,811	\$ 508,352,811
Retailer Fees and Miscellaneous Operating Revenue	\$ (102,318)	\$ 198,535	\$ 239,564
GROSS REVENUES	\$ 502,552,215	\$ 508,551,346	\$ 508,592,375
EXPENDITURES			
Gaming Law Enforcement (DOJ) s. 20.455 (2)(r)	\$ 367,300	\$ 373,100	\$ 373,100
Lottery Credit Administration (DOR) s. 20.566 (2)(r)	\$ 243,914	\$ 276,900	\$ 276,900
Prizes (DOR) s. 20.566 (8)(s)	\$ 290,279,867	\$ 299,941,855	\$ 299,941,855
Retailer Compensation (DOR) s. 20.566 (8)(r)	\$ 35,247,289	\$ 35,591,388	\$ 35,575,540
Vendor Fees (DOR) s. 20.566 (8)(v)	\$ 11,816,299	\$ 11,912,161	\$ 11,912,161
General Program Operations (DOR) s. 20.566 (8)(q)	\$ 20,907,738	\$ 21,221,300	\$ 21,221,300
Employee Compensation Reserves	\$ -	\$ 219,400	\$ -
Health Insurance Reserves	\$ -	\$ 113,800	\$ 113,800
Rent Reserves	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 358,862,407	\$ 369,649,904	\$ 369,414,656
NET PROCEEDS	\$ 143,689,808	\$ 138,901,442	\$ 139,177,719
OPERATING TRANSFERS IN (Gaming Revenue)	\$ 125,546	\$ 125,546	\$ 125,546
INTEREST EARNINGS	\$ 122,154	\$ 90,481	\$ 90,367
Total Available for Tax Relief	\$ 168,755,270	\$ 163,036,434	\$ 149,564,632
APPROPRIATIONS FOR TAX RELIEF			
Farmland Tax Relief Credit (DOR) s. 20.835 (2)(q)	\$ 885,385	\$ 200,000	\$ -
School Levy Tax Credit; Lottery Fund (DOR) s. 20.835 (3)(qb)	\$ 14,850,000	\$ 14,850,000	\$ 14,850,000
Lottery and Gaming Credit (DOR) s. 20.835 (3)(q)	\$ 128,958,022	\$ 137,643,818	\$ 124,371,217
Lottery and Gaming Credit; Late Applications (DOR) s. 20.835 (3)(s)	\$ 171,616	\$ 171,616	\$ 171,616
Total Appropriations for Tax Relief	\$ 144,865,023	\$ 152,865,434	\$ 139,392,832
Gross Closing Balance	\$ 23,890,248	\$ 10,171,000	\$ 10,171,800
Reserve (2% of Gross Revenues)	\$ 10,051,000	\$ 10,171,000	\$ 10,171,800
Change in Encumbrance Balance	\$ (28,716)	\$ -	\$ -
Net Closing Balance	\$ 13,810,532	\$ -	\$ -